

February 5, 2021

# COFFEE MARKET REPORT



Month	Settle	Daily Change	Weekly Change	%Change This Week
21-Mar	\$ 1.2450	-0.0010	0.0155	1.26%
21-May	\$ 1.2665	-0.0005	0.0165	1.32%
21-Jul	\$ 1.2855	-0.0020	0.0160	1.26%
21-Sep	\$ 1.3040	-0.0005	0.0160	1.24%

### Coffee Market

Coffee traders are more likely to discuss GameStop or AMC stock prices these days as the C market saw another noneventful week of range bound sideways trading. Movement in the market has been subdued these past few weeks as every bullish factor is easily countered by uncertainty around covid-19 and global demand. Collective opinion around the trade pegs Brazil production this year to be down 30ish percent. What would normally be extremely bullish news out of the globe's largest coffee producer seems to be a non-factor as anticipated carry over stocks from a record year should easily meet global demand. Certified stocks that had been in decline have rebounded a bit as exchange graders have found themselves busy certifying Brazil semi-washed coffees that have made their way to the board.

On the physical side roasters continue to buy hand to mouth due to uncertain demand. In lieu of spreadsheets some have resorted to divination via Ouija Board for forecasting. Differentials remain firm as ever. The Colombian main crop is all but finished with reports of a less than stellar *mitaca* fly crop not helping the situation. Central America is right in the middle of their harvest, Nicaragua is particularly well sold with reports of internal short covering.

### Tea Market

A larger tea auction in Kenya this week saw even better demand this week. 206,548 packages were offered and only 13% were unsold. The new Tea Regulations are being challenged in court and there will be updates soon. Logistics is also becoming an issue with labor issues affecting vessel turnarounds. There have been advisories from some companies of the slowdown in logistics. Good rainfall was seen in Argentina this week and for the second half of January. Production is starting to pick up but may not be enough to make up the loss for the season so far. Indonesia is struggling with external factors. Volcanoes, COVID, and constant rain continue to cause issues. A small auction saw lower demand levels this week as 54% of the 8,380 packages were unsold. Asian origins are dealing with COVID issues as their various holiday celebrations are taking place. Winter production has begun in India and there are decent rains to start the year. Small volumes are being sold at varying rates with various quality levels as well.

